



# California Fair Political Practices Commission

June 29, 1989

Kaar A. Field  
Greene, Nakahara and Lew  
7677 Oakport Street, Suite 655  
Oakland, CA 94621

Re: Your Request for Advice  
Our File No. A-89-336

Dear Mr. Field:

You have requested advice on behalf of Citizens for Dick Spees concerning the campaign provisions of the Political Reform Act of 1974.<sup>1</sup>

## QUESTIONS

1) Must campaign funds received prior to January 1, 1989, collected outside the limits established by Proposition 73 be segregated from those received within the limits by June 1, 1989, in order to use the funds received within the limits to support a candidate's future election campaign?

2) What is the filing deadline for semi-annual campaign statements?

## CONCLUSIONS

1) Of those funds received prior to January 1, 1989, only those which were received within the limits of Proposition 73 may be used to support a candidacy. No deadline has been set for the segregation process to take place.

2) The next semi-annual statement filing deadline is July 31, 1989, for the period ending June 30, 1989.

## ANALYSIS

1) Section 85306, as added by Proposition 73, prohibited candidates and committees from using campaign funds held on January 1, 1989, to support or oppose a candidacy. On January 19, 1989, Regulation 18536.1, which provided for the establishment of a "segregated account" (an account made up of those campaign funds received prior to January 1, 1989, which were received within the contribution limits established by Proposition 73 and which could be used for campaign purposes), became effective. This regulation

<sup>1</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Kaar A. Field  
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specified June 30, 1989, as the date by which the segregated funds must have been deposited into a campaign bank account. However, on February 8, 1989, the Los Angeles County Superior Court ruled this regulation was invalid. (California Common Cause v. Fair Political Practices Commission, Case No. C709383, LA County Superior Court.)

On May 15, 1989, the United States District Court issued a preliminary injunction enjoining the Commission from enforcing Section 85306. (Service Employees International Union, AFL-CIO, CLC; et al. v. Fair Political Practices Commission, Case No. CIVS 89-0433 LKK-JFM, May 15, 1989, copy enclosed.) The court ruling allows candidates who received funds prior to January 1, 1989, to use the portion of funds received within the limits established by Proposition 73 for future elections in support of their own candidacy. Unlike former Regulation 18536.1, the preliminary injunction contains no deadline for the segregation of funds.

A final hearing on the SEIU case is scheduled for early August 1989. Please contact our offices after August 15 for information regarding the outcome of this case.

2) Section 84200(a) requires candidate controlled committees to file semiannual campaign statements each year by July 31 for the reporting period of January 1 through June 30, and by January 31 for the reporting period of July 1 through December 31. Enclosed is a copy of the 1989 "Information Manual on Campaign Disclosure Provisions of the Political Reform Act" which contains the filing requirements for 1989.

If you have additional questions, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan  
General Counsel

By:   
Kevin S. Braaten-Moen  
Political Reform Consultant

Enclosures



**GREENE,  
NAKAHARA  
& LEW**

**ACCOUNTANCY CORPORATION**

PO Box 14068  
Oakland, California  
94614-2068

May 30 2 16 PM '89

7677 Oakport Street, Suite 655  
Oakland, California 94621  
(415) 638 • 7007

May 23, 1989

Mr. Kevin Braaten-Moen  
Political Reform Consultant  
State of California  
Fair Political Practices Commission  
P. O. Box 807  
Sacramento, California 95804-0814

Dear Mr. Braaten-Moen:

This letter will serve as confirmation of the conversation held on this date between yourself and my secretary, Charlotte Demery regarding:

Citizens for Dick Spees  
June 1st Filing Requirement  
Reference: Proposition 73, in regards  
to cleansing of campaign funds  
for contributions in  
excess of \$1,000.00

You stated that Proposition 73 and regulations there under does not contain a requirement that campaign funds be cleansed of campaign contributions in excess of \$1,000 by June 1, 1989. You also stated, that Proposition 73 was invalidated back in January 1989, and that it will be appealed; so the filing deadline will stay at June 30, 1989.

Please sign and acknowledge copy of this letter and return to us in the self-addressed postage-paid envelope. Thank you for your cooperation.

Sincerely yours,

Kaar A. Field

KAF/cd  
Enclosures

cc: Dick Spees

**GREENE,  
NAKAHARA  
& LEW**

ACCOUNTANCY CORPORATION

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Kaar A. Field

KAF/cd  
Enclosures

cc: Dick Spees



# California Fair Political Practices Commission

June 1, 1989

Kaar A. Field  
Greene, Nakahara & Lew  
7677 Oakport Street, Suite 655  
P.O. Box 14068  
Oakland, CA 94614-2068

Re: Letter No. 89-336

Dear Mr. Field:

Your letter requesting advice under the Political Reform Act was received on May 30, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

*Jeanne Pritchard by JH*  
Jeanne Pritchard  
Chief Technical Assistance  
and Analysis Division

JP:plh